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CITY COUNCIL
CITY AND COUNTY OF HONOLULU
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News Release

December 20, 2005
For Immediate Release

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Councilmember Barbara Marshall—in response to Constituent concerns—today introduced a resolution to the Honolulu City Council urging the Mayor to lower the residential property tax rate and take a new look at how residential properties on Oahu are assessed.

A recent press release from the Real Property Assessment Division stated that real property assessments jumped some 27% this year. The hike comes on the heels of three years of unprecedented increases in assessed valuation doubling the tax bills of most homeowners. Marshall reported some constituents in her District have reported tax increases of more than 400 percent.

The resolution calls on the Mayor to lower the tax rate for this year to provide immediate relief to residents who have endured years of surging property tax bills.

Marshall had hoped to ask the Council to act on the proposal at today's Special Council Meeting—where a number of other resolutions had been added to the agenda. However, formal procedure required the Chair of the Budget Committee to approve sending the resolution directly to the Council. The permission was not granted.

The Resolution will be referred to the Budget Committee.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 05-412

RESOLUTION

URGING THE ADMINISTRATION TO SUBMIT AN OPERATING BUDGET REFLECTING REDUCED PROPERTY TAX RATES FOR RESIDENTIAL PROPERTIES.

WHEREAS, according to a press release issued by the city administration, the gross assessment for all real property classes increased 26% for the taxable year 2006-2007; and

WHEREAS, these increases are part of a general upward trend in property assessments that have been continuing for the last four tax years as a result of a hyperactive real estate market; and

WHEREAS, the cost of living in Hawaii already creates an undue financial burden on our residents; and

WHEREAS, without immediate action to mitigate the impending increase in property tax bills due to these increased assessments many residents young and old alike may find themselves unable to fulfill their real property tax obligation to the City; and

WHEREAS, the suggested one-time tax credit for individuals 62 years and older would provide relief to some and benefit to others as no criteria for income has been suggested; and

WHEREAS, Ordinance 05-26 was enacted by the City Council in direct acknowledgment that property owners who found themselves burdened by real property taxes were members of all age demographics; and

WHEREAS, continuing increases in housing prices and subsequent real property assessments should not be construed by the City as an opportunity to capitalize on windfall tax revenues to create a fund for unspecified purposes as suggested; and

WHEREAS, residents of Honolulu are espousing discontent with the current property assessment structure and cries for reform similar to California's Proposition 13, which nearly bankrupted the State of California, are now being heard from constituents and in the media; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the administration develop and submit a budget reflecting a reduction in all improved



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No. 05-412

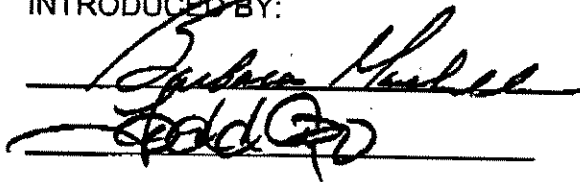
RESOLUTION

residential and apartment real property tax class rates to help provide temporary relief to the residents of Honolulu; and

BE IT FURTHER RESOLVED that the administration commit to re-evaluating the existing real property assessment and taxation mechanisms to determine if the best interests of the residents of Honolulu are being served and what alternative mechanisms may better serve both the public and the City; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and the Director of Budget and Fiscal Services.

INTRODUCED BY:



DATE OF INTRODUCTION:

DEC 19 2005Honolulu, Hawaii

Councilmembers